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## MINORITY/DISABLED VETERAN OWNED BUSINESS DEVELOPMENT

# GUIDELINES FOR A JOINT VENTURE (JV) AGREEMENT

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*All joint venture agreements should be evidenced by a written development plan and approved by the Wisconsin Department of Administration. **A two weeks' notice is required to process the JV application.** The following should be considered in the submission of such a plan to this program:*

- A. The joint venture agreement should clearly set forth the objectives of the parties and their respective roles.
  - 1. Identify the name of the joint venture.
  - 2. Identify the principal parties of the joint venture.
  - 3. Provide the complete mailing address and telephone for all of the members of the joint venture.
  - 4. Primary office location of the joint venture.
- B. The joint venture plan should clearly state the specific state contract the business is interested in bidding. The plan should include the contract number, location of the contracting office, state contracting officer, and date of the bid closing.
- C. The joint venture plan should state the specific length of time or for the duration of a specific project the parties are to be engaged in the state contract.
- D. The joint venture plan should designate a sponsor or managing MBE/DVB party responsible for the overall supervision and provide for the insurance for the completion of the contract.
- E. The joint venture plan should clearly specify how the profits or losses after the completion of the contract are to be distributed between the venture partners. The percentage of profits or losses should reflect the degree of ownership of the joint venture parties.
- F. The plan should provide for an agreement for meeting the required indemnity and surety bonds or other guarantees as required by the contract. Liabilities are to be proportional to the ownership of the joint venture.
- G. The plan should provide for the contribution of working capital and all other funds as required for the performance of the contract.

1. Identify start-up capital from each venture party or other sources.
  2. Identify lines of credit and other assets necessary to complete the contract.
- H. The plan should include a designated bank where funds are to be kept for the joint venture.
1. Identify the bank signatures on the account.
  2. Identify person (s) authorized to draw checks, make deposits, and execute loan agreements from the designated bank.
  3. Identify personnel responsible for payroll functions for the joint venture.
- I. The plan should include the location where the account records are maintained and person (s) responsible for those ledgers for the joint venture.
- J. The plan should include a list of the resources each joint venture party will contribute toward the completion of the contract.
1. Identify machinery, equipment, and/or inventory from each joint venture party.
  2. List the duties and responsibilities of each joint venture partner.
  3. Specify any rental agreement for equipment needed to complete the contract.
  4. Identify specific technical and management assistance not evidenced within the joint venture parties.
  5. Identify the degree of outside sub-contracting that will be needed to complete the contract.
  6. Identify the labor resources needed from each joint venture party in order to complete the contract, including identifying parties with managerial and supervisory responsibilities.
- K. The plan should provide for provisions in the event of insolvency, bankruptcy or dissolution of any of the parties of the joint venture.
- L. The plan should include an appendix detailing the experiences and capabilities of the non-minority joint venture partner.
- M. The agreement must outline the benefits that will accrue to the minority-owned firm for having participated in the joint venture.
- N. The joint venture agreement must be signed by principals representing each joint venture partner. The joint venture may be made contingent upon being awarded the state contract, which is the subject of the joint venture.